

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 792 - HB 950

March 12, 2023

SUMMARY OF BILL: Establishes that a claimant for unemployment insurance benefits who fails to respond to an offer for a job within two business days, or who fails to appear for a previously scheduled job interview without notifying the prospective employer of the need to cancel or reschedule the interview, is non-compliant with the work search requirement of the unemployment insurance program. Prohibits a claimant from receiving weekly unemployment insurance benefits for the week in which the non-compliance occurred, upon the second confirmed incident of work search non-compliance.

Requires the Department of Labor and Workforce Development (DLWD) to establish a portal on its website, and an email and telephone hotline, for employers to report an unemployment insurance claimant who fails to respond to offers of unemployment or appear for previously scheduled job interviews.

Prior to denying a week of benefits to any such claimant for work search non-compliance, the DLWD must verify information submitted by an employer regarding a claimant's work search non-compliance.

Requires a claimant to perform a minimum of five work search activities per week to retain eligibility for such benefits. Failure to perform the minimum number of activities disqualifies the claimant from receiving weekly unemployment benefits for the week after such failure. Requires that one work search activity each week be verifiable in real-time by the DLWD. Beginning with the third week of benefits and for every week thereafter, at least four of the five work search activities must be direct engagement with employers for a job. Establishes what are acceptable direct engagement situations with employers. The DLWD must require each claimant to document and report work search activities on a weekly basis. Failure to complete such report constitutes failure to comply with the work search requirement.

Effective January 1, 2024.

FISCAL IMPACT:

Other Fiscal Impact – This legislation is likely to put Tennessee's unemployment insurance program in noncompliance with federal regulations. Tennessee is anticipated to receive approximately \$32,230,600 in federal funding in FY23-24 for the state's unemployment insurance program. The exact decrease in such funding is not known at this time.

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This legislation is estimated to result in a decrease in unemployment insurance payouts from the Unemployment Trust Fund. Any such decrease is based on multiple unknown factors and cannot be readily determined with reasonable certainty.

Assumptions:

- Unemployment insurance is a federal program which requires adherence to federal regulations. The program is administered by the state with federal funds.
- Based on information provided by the DLWD, this legislation will put Tennessee in noncompliance with federal regulations regarding work search requirements, which is estimated to result in a loss in federal funds.
- The Department of Labor was unable to estimate the anticipated loss in federal funds.
- It is assumed that some recipients of unemployment insurance will fail to meet the demands of this legislation and will lose their benefits.
- The number of individuals to which the proposed legislation would apply is unknown and the resulting decrease in expenditures from the Unemployment Trust Fund is unknown.
- The DLWD can construct the online portal required by this legislation utilizing existing resources.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumption:

- This legislation will have no significant impact on jobs or commerce in this state.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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